Munich Re Group
Turning risk into value

Dresdner Kleinwort
9th German Investment Seminar
New York

Nikolaus von Bomhard
Chairman of the Board of Management

Münchener Rück
Munich Re Group

9 January 2007

A world leading reinsurer with a significant primary insurance business

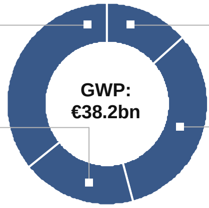
Münchener Rück
Munich Re Group

Munich Re Group – Premiums 2005 breakdown by segment (consolidated)

in €m

Reinsurance
Property-casualty
13,699 (36%)

Reinsurance
Life 5,889 (15%)
Health 1,063 (3%)



Primary insurance
Property-casualty
5,219 (14%)

Primary insurance
Life 7,437 (19%)
Health 4,892 (13%)

Reinsurance

- Diversification as key success factor
- Leading expertise in non life and life reinsurance worldwide for 126 years
- Full range of products: from traditional reinsurance to alternative risk financing
- Best reinsurer overall by cedant vote[1]

Primary insurance

- Germany-based with growing importance in selected European markets
- Focused on personal lines business
- Multi-brand – single back office approach
- European market leader in health and legal expenses

[1] Flaspöhler-Survey Europe 2006

From recovery to sustainable performance

Münchener Rück
Munich Re Group

Reinsurance

- Strict focus on risk-adequate pricing
- No top-line growth targets
- Value-creation focus on liabilities side of balance sheet

Primary insurance

- New organisation structure at ERGO
- Continuous cost management
- Unified IT platform established
- Foreign markets strategy implemented

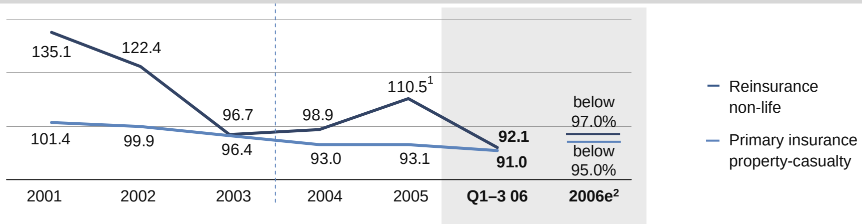
Risk-based performance measurement

New committee structure for Munich Re Group

Building a track record

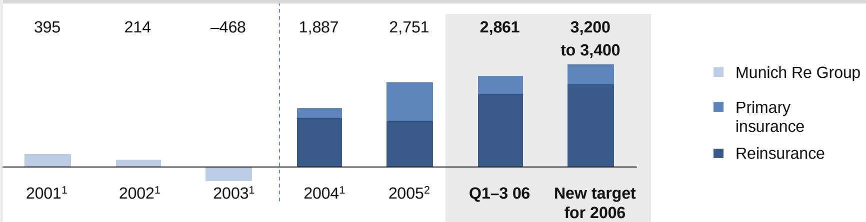
Münchener Rück
Munich Re Group

Combined ratios in %



[1] Thereof 17.7%-points NatCat; [2] Assumption within RoRaC target

Net earnings in €m



[1] Adjusted due to first-time application of IAS 1 (rev. 2003). [2] Adjusted due to first-time application of IAS 19 (rev. 2004).

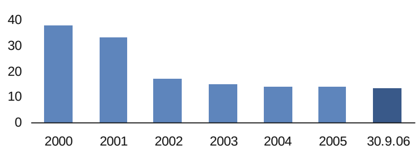
Derisking strategy applied

Münchener Rück
Munich Re Group

Asset risk exposure

Market risk reduced alongside rising indices

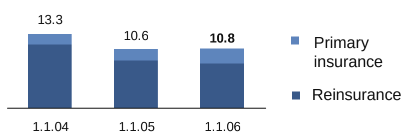
Equity exposure in % of investments (market values)



Required risk capital

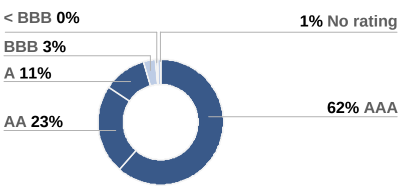
Consequent reduction of market risk capital[1]

in €m



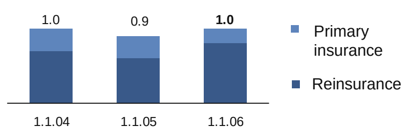
Low credit risk exposure: >95% A or better

Rating structure of fixed-income portfolio
as at 31.12.05



Relatively minor credit risk capital[1]

in €m

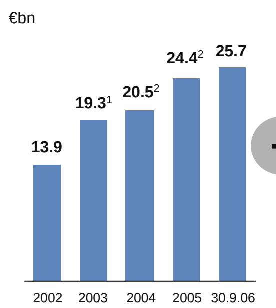


[1] Diversification benefits between reinsurance and primary insurance are not considered.

Münchener Rück
Munich Re Group

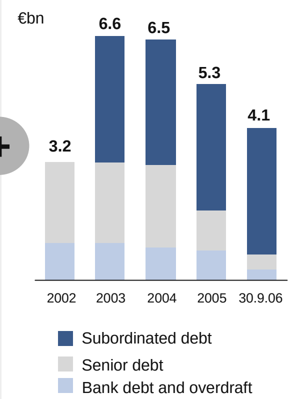
Capital structure
Significant reduction of debt leverage

Equity



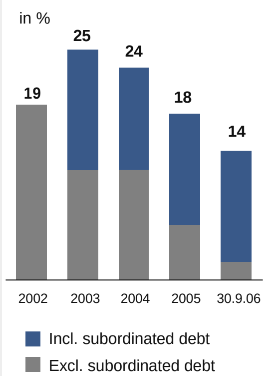
Continual strengthening of equity base...

Strategic and subordinated debt



...while simultaneously redeeming strategic debt...

Debt leverage



...led to significant reduction of debt leverage

[1] Adjusted owing to first-time application of IAS 1 (rev. 2003).
[2] Adjusted owing to first-time application of IAS 19 (rev. 2004).

Münchener Rück
Munich Re Group

Capital Management
Share buy-back as next logical step

- Derisking initiative started ✓
- Change to flexible dividend policy ✓
- Disclosure of risk capital ✓
- Introduction of RoRaC-target ✓

Focus on efficient capitalisation:

Share buy-back programme
- Volume: €1bn
- Period: Nov 2006 – April 2007 (AGM)
- Cancellation of repurchased shares

Ensuring discipline within Munich Re and reinsurance market ✓

Buy-backs as part of our ongoing capital management

Münchener Rück
Munich Re Group

Reinsurance Property & Casualty
Still attractive environment for renewals January 2007

Key P&C reinsurance market trends

- Overall reinsurance prices, terms and conditions at or above risk-adequate level
- No single cycle of reinsurance
  - US NatCat increase to high July renewal level
  - Property excluding US NatCat affected lines and casualty stable
  - Structural market growth in Emerging Markets at mainly stable prices
- Increased importance of diversification as capital requirements for monoliners rise

Munich Re: Profitable growth in renewed and new business over 2006, further enhancing overall portfolio profitability

Münchener Rück
Munich Re Group

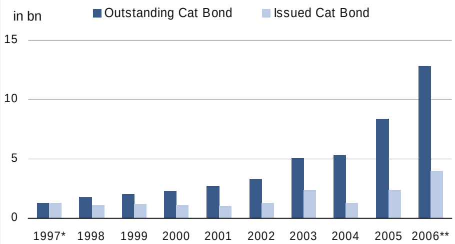
Growth approach of Munich Re Group

	Reinsurance	Integrated health care	Primary insurance	
Organic growth	▪ Analyse life re portfolios ▪Growth of underlying risk values, peak risks and accumulations ▪ Emerging markets ▪ Higher penetration of established markets ▪ Product development ▪ Solvency II	▪ Investment in selected markets; bridging financial protection, services and provision of care ▪ Flexible and parallel use of primary and reinsurance brands and business models ▪ Exploit significant growth potential through unique selling proposition	▪ International expansion in selected countries with high growth/high margin potential ▪ Organic growth in Germany with special focus on retail P-C, corporate pension, supplementary health	**M&A activities**

Active use of capital markets
Key considerations

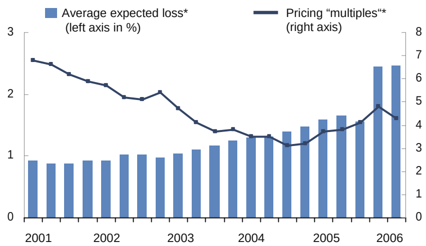
Münchener Rück
Munich Re Group

Attractive market conditions



* and prior; ** to date

Source: Goldman Sachs



*For outstanding cat bonds only

Source: Lane Financial L.L.C. 2006

Optimal moment to increase our activity in this market segment

benefiting from a well developed infrastructure and maturing markets

Opportunities for portfolio optimization, increase of capital efficiency and additional earnings

with a minimum of launching costs for MR

Active use of capital markets
More than just securitisation

Münchener Rück
Munich Re Group

Munich Re's Risk Trading approach

Managing our own risks
- Optimise portfolio
- Use of additional capacity

Improve our risk/return profile and save costs

Managing our clients' risks
- Consulting, structuring, project management and placement support
- Risk fronting / transformation and (interim) capacity provider

Fee and risk-based income

Risk warehousing
- Retain risks
- Be active player in primary and secondary market

Risk-based, investment and arbitrage income

Restructuring and reselling
- Extension of "buy and hold" strategy
- Combine and restructure risks
- Sell at favourable terms and conditions

Fee and arbitrage income

Active use of capital markets
Munich Re track record

Münchener Rück
Munich Re Group

Transaction Name	Closing	Volume	Covered Perils
Pacific Re	06/1998	USD 80m	▪ Typhoon Japan
Gold Eagle Capital Limited*	12/1999	USD 182m	▪ Hurricanes in East and Golf coast area ▪ Earthquakes in New Madrid area ▪ Earthquakes in California
PRIME Capital Hurricane Ltd.	12/2000	USD 165m	▪ Hurricanes in New York & Miami area
Prime Capital CalQuake & EuroWind Ltd.	12/2000	USD 135m	▪ Earthquakes in N and S California ▪ Windstorms in select European Countries
Gold Eagle Capital 2001* Limited	04/2001	USD 120m	▪ Hurricanes in East and Golf coast area ▪ Earthquakes in New Madrid area
Aiolos Ltd.	11/2005	EUR 110m	▪ Windstorms in select European Countries
Carillon Ltd.	06/2006	USD 84.5m	▪ US Hurricanes Nationwide. PCS
Lakeside Re	12/2006	USD 190m	▪ Earthquake in California

* American Re

Key investment considerations

Münchener Rück
Munich Re Group

- Leading global franchise in reinsurance
- Primary business back to profitability
- Clear underwriting discipline
- Diversified premium mix and risk management focus distinguishes our risk capital situation
- Continued derisking leading to lower CoC
- Balance sheet strength offers opportunities for active capital management
  - Dividend payout ratio of at least 25%
  - Buy backs to support efficient balance sheet
- Smart growth in profitable niches

Münchener Rück
Munich Re Group

Financial calendar

Contacts

Disclaimer

Financial calendar

Münchener Rück
Munich Re Group

30 January 2007
Press release on the renewal of reinsurance treaties

28 February 2007
Balance sheet press conference

26 April 2007
Annual General Meeting

27 April 2007
Dividend payment

7 May 2007
Interim report as at 31 March 2007

7 May 2007
Analysts' Conference

6 August 2007
Interim report as at 30 June 2007

6 November 2007
Interim report as at 30 September 2007

For information please contact

Münchener Rück
Munich Re Group

Sascha Bibert

Head of Investor Relations
Tel.: +49 (89) 38 91-39 10
E-mail: sbibert@munichre.com

Ralf Kleinschroth

Tel.: +49 (89) 38 91-45 59
E-mail: rkleinschroth@munichre.com

Dr. Thomas Dittmar

Tel.: +49 (89) 38 91-64 27
E-mail: tdittmar@munichre.com

Ingrid Grunwald

Tel.: +49 (89) 38 91-35 17
E-mail: igrunwald@munichre.com

Robert Kinsella

Tel.: +49 (89) 38 91-30 19
E-mail: rkinsella@munichre.com

Frank Kopfinger

Tel.: +49 (89) 38 91-28 94
E-mail: fkopfinger@munichre.com

Fax: +49 (89) 38 91-98 88
E-mail: InvestorRelations@munichre.com
Internet: www.munichre.com

Disclaimer

Münchener Rück
Munich Re Group

This report contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our company. The company assumes no liability to update these forward-looking statements or to conform them to future events or developments.